

A RESOLUTION 2003-07-06

AUTHORIZING THE CREATION OF THE CITY OF SAN ANTONIO, TEXAS, STARBRIGHT INDUSTRIAL DEVELOPMENT CORPORATION, UNDER THE DEVELOPMENT CORPORATION ACT OF 1979, AS AN INSTRUMENTALITY OF THE CITY OF SAN ANTONIO FOR THE PURPOSE OF MEETING OBLIGATIONS OF THE PROJECT STARBRIGHT AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ACQUISITION OF REAL AND PERSONAL PROPERTY, ISSUANCE OF BONDED INDEBTEDNESS, AND OTHER RELATED ACTIONS; AND AUTHORIZING SUBMISSION OF THE ARTICLES OF INCORPORATION TO THE SECRETARY OF STATE AND OTHER ACTIONS, AS NECESSARY; AND PROVIDING FOR THE IMMEDIATE EFFECTIVE DATE UPON APPROVAL OF EIGHT (8) AFFIRMATIVE VOTES.

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WHEREAS, the Development Corporation Act of 1979, Article 5190.6, Texas Civil Statutes, as amended (the "Act"), authorizes the creation and administration of industrial development corporations to act on behalf of cities in the promotion and development of commercial, industrial and manufacturing enterprises to promote and encourage employment and the public welfare, including but not limited to the acquisition of land; and

WHEREAS, the Act authorizes cities to utilize an industrial development corporation to issue obligations and bonds on behalf of the sponsoring city to finance projects promoting and developing commercial, industrial and manufacturing enterprises; and

WHEREAS, three natural persons, each of whom is at least eighteen years of age and a qualified elector of the City of San Antonio, Texas (the "Unit"), have filed with the City Council (the "Governing Body") of the Unit a written application (the "Petition") requesting that the Unit authorize and approve the creation of THE CITY OF SAN ANTONIO, TEXAS, STARBRIGHT INDUSTRIAL DEVELOPMENT CORPORATION (the "Corporation") and approve the Articles of Incorporation and Bylaws to be used in organizing the Corporation; and

WHEREAS, the Unit is a Texas municipal corporation established under the authority of the Texas Constitution; and

WHEREAS, the Corporation will be created and organized as a Texas nonprofit corporation, pursuant to the provisions of the Act, for such limited purposes, which shall include, but not be limited to, the issuance of obligations to fund the Unit's obligation relating to its obligations under the Project Starbright Agreement;

WHEREAS, the Governing Body of the Unit has reviewed and approved the Petition and the Articles of Incorporation and Bylaws and has determined to authorize and approve the creation of the Corporation, a not-for-profit entity, as its constituted authority and instrumentality to accomplish the specific public purpose of the promotion and development of industrial and manufacturing enterprises to promote and encourage employment and the public welfare; and

WHEREAS, the immediate creation of the Corporation is necessary for the purposes set out above; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1: Findings. The determinations and findings made and found in the preamble to this Resolution are hereby adopted and made a part of the operative provisions hereof.

SECTION 2: Approval of Creation. The Corporation is hereby authorized and approved for creation as an industrial development corporation under the provisions of the Act.

SECTION 3 : Powers. The Corporation is hereby designated as a duly constituted authority and instrumentality of the Unit (within the meaning of those terms in the regulations of the United States Department of Treasury and the rulings of the Internal Revenue Service prescribed and promulgated pursuant to Section 103 of the Internal Revenue Code of 1986, as amended) and shall be authorized to act on behalf of the Unit for the specific public purpose of the promotion and development of industrial and manufacturing enterprises to promote and encourage employment and public welfare; but the Corporation is not intended to be and shall not be a political subdivision or a political corporation within the meaning of the Constitution and the laws of the State of Texas (the "State"), including, without limitation, Article III, Section 52 of the State Constitution, and the Unit does not delegate to the Corporation any of its attributes of sovereignty, including the power to tax, the power of eminent domain and the police power.

SECTION 4: Obligations. The Corporation may, under the conditions set forth in this Resolution, issue obligations on behalf of the Unit, acquire, lease, sell or convey certain properties and make loans for the promotion and development of commercial, industrial and manufacturing enterprises to promote and encourage employment and the public welfare, including new and expanded manufacturing, industrial and commercial enterprises, to the extent provided in the Act. The Unit shall not lend its credit or grant any public money or thing of value in aid of the Corporation, except under a contract authorized by Section 380.002, Local Government Code. Furthermore, obligations issued by the Corporation with the approval of the Unit shall be deemed not to constitute a debt of the State, of the Unit or of any other political corporation, subdivision or agency of the State or a pledge of the faith and credit of any of them, but such obligations shall be payable solely from the funds herein provided. The Corporation shall not be authorized to incur financial obligations which cannot be paid from proceeds of the obligations or from revenues realized from the lease or sale of a project or realized from a loan made by the Corporation to finance or refinance in whole or in part a project. "Project" shall have the same meaning as given in the Act.

SECTION 5: Governing Documents. The Articles of Incorporation of the Corporation and the Bylaws of the Corporation, in the forms attached hereto, are hereby approved for use and adoption by the Corporation; provided, however, that any amendments to the Articles of Incorporation or Bylaws shall be subject to the further approval of the Governing Body. However, the City Attorney of the Governing Body may authorize any ministerial changes to the Bylaws as is necessary to make such Bylaws prior to the adoption of the same by the Corporation consistent with the purposes and intent of this Resolution.

SECTION 6: Bonds. The Governing Body shall approve by written resolution any agreement to issue bonds, including refunding bonds, adopted by the Corporation, which agreement and resolution shall set out the amount and purpose of the bonds. Furthermore, no issue of bonds, including refunding bonds, shall be sold and delivered by the Corporation without a written resolution of the Governing Body adopted no more than 60 days prior to the date of the sale of the bonds specifically approving the resolution of the Corporation providing for the issuance of the bonds.

SECTION 7: Dissolution. Upon dissolution of the Corporation, the dissolution proceedings shall transfer title to all funds and properties then owned by the Corporation at such time to the Unit.

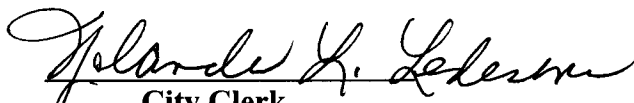
SECTION 8: Proper Notice. That the Governing Body has considered evidence of the posting of notice of this meeting and officially finds, determines, recites and declares that a sufficient written notice of the date, hour and place of this meeting and of the subject of this Resolution was posted at a place convenient to the public in the City Hall of San Antonio, Texas, for at least 72 hours preceding the scheduled time of such meeting; that such place of posting was readily accessible to the general public at all times from such time of posting until the scheduled time of such meeting; and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by Chapter 551, Texas Government Code, as amended.

SECTION 9: Effective Date. This ordinance shall be immediately effective if passed by at least eight votes. Otherwise, it shall be effective on March 2, 2003.


PASSED AND APPROVED this 20th day of February, 2003.


M A Y O R

ATTEST:


City Clerk

APPROVED AS TO FORM:


City Attorney